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10 **UNITED STATES DISTRICT COURT**
11 **SOUTHERN DISTRICT OF CALIFORNIA**

12 CONSUMER FINANCIAL
13 PROTECTION BUREAU,

14 Plaintiff,

15 v.

16 GLOBAL FINANCIAL SUPPORT,
17 INC., d/b/a STUDENT FINANCIAL
18 RESOURCE CENTER, d/b/a
19 COLLEGE FINANCIAL ADVISORY;
20 and ARMOND ARIA a/k/a ARMOND
21 AMIR ARIA, individually, and as owner
22 and CEO of GLOBAL FINANCIAL
23 SUPPORT, INC.,

Defendants.

Case No.: 3:15-cv-2440-GPC-WVG

**ORDER GRANTING MOTION TO
STRIKE ANSWER AND ENTER
DEFAULT.**

[ECF No. 83.]

24 On December 10, 2019, Plaintiff Consumer Financial Protection Bureau (the
25 “Bureau”) filed a motion requesting that the Court strike Defendant Global Financial
26 Support, Inc.’s (“Global”) Answer for failure to defend and then enter default against
27 Global. (ECF No. 83.) Defendant Global has not entered an opposition. Based on the
28 applicable law, the Court **GRANTS** the Bureau’s motion. The Court hereby

1 **STRIKES** Global's Answer and **ORDERS** the Clerk of Court to enter default.

2 **I. Background**

3 On October 29, 2015, the Bureau filed a complaint alleging numerous
4 violations by Defendants Global and Armond Amir Avia, Global's Chief Executive
5 Officer, of the Consumer Financial Protection Act of 2010 ("CFPA"), including
6 through the offering, marketing, sale, and provision of student financial aid advisory
7 services. (ECF No. 1.)

8 On April 7, 2016, Defendants filed a motion to stay proceedings while a
9 concurrent criminal suit was pending. (ECF No. 25.) On April 26, 2016, all discovery
10 was stayed. (ECF No. 30.) Through a series of subsequent orders, the Court extended
11 the stay until May 27, 2019. (*See* ECF Nos. 34, 42, 46, 48, 51, 53, 55, 57, 59, 61, 63,
12 65, 67, 69, 71, 73.)

13 On May 2, 2019, Defendants' then-counsel, Mr. Russel F.A. Riviere, informed
14 Defendants that the stay would be lifted. (ECF No. 75-3, Riviere Decl., at ¶ 2.)
15 Defendants told Mr. Riviere that they would be unable to pay to retain his firm's legal
16 services following the stay and consented to his withdrawal. (*Id.* at ¶¶ 3, 6.)

17 On June 3, 2019, Defendants' counsel filed a motion to withdraw as attorney of
18 record for all defendants. (ECF No. 75.) On June 20, 2019, the Bureau filed a notice
19 of non-opposition to this motion. (ECF No. 78.) On July 12, 2019, the Court granted
20 the motion to withdraw. (ECF No. 79). The Court also ordered that Global secure
21 substitute counsel within thirty (30) days, that Global's new counsel confer with the
22 Bureau as to a scheduling order within sixty (60) days, and that the Parties jointly file
23 a scheduling order, or file individual statements with the Parties' positions on such an
24 order, within seventy-five (75) days. (*Id.* at 6.)

25 Since the Court issued its July 12, 2019, the Bureau has spoken to Defendant
26 Aria numerous times and informed him that they would move for default were Global
27 to remain unrepresented. (*See* ECF Nos. 81, 83.) On September 24, 2019, Magistrate
28 Judge Gallo also admonished Global for failing to obtain counsel:

1 While Defendant Aria may properly proceed *pro se*, as the Court
2 explained in its order granting the withdrawal of defense counsel,
3 corporate defendants such as Global **may not appear pro se** pursuant to
4 Local Rule 83.3(j). Defendant Global is warned that any continuing
5 failure to obtain counsel may result in sanctions.

(ECF No. 82 at 3) (emphasis in original). Global has not obtained counsel to date.

6 **II. Analysis**

7 The Bureau now moves the Court to strike Global's Answer and enter default.
8 (ECF No. 8.) Entering default is a two-step process. First, "[w]hen a party against
9 whom a judgment for affirmative relief is sought has failed to plead or otherwise
10 defend . . . the clerk must enter the party's default." Fed. R. Civ. P. 55(a). Second,
11 after default is properly entered, a party seeking relief other than a sum certain must
12 apply to the Court for a default judgment. Fed. R. Civ. P. 55(b).

13 Thus, to accomplish the first step here, the Bureau requests that the Court first
14 strike Global's Answer. An answer may be stricken if defendants fail to defend
15 themselves. *See Microsoft Corp. v. Marturano*, No. 06-CV-1747-OWW, 2009 WL
16 1530040, at *2, 6 (E.D. Cal. May 27, 2009) (striking answer against defendant who
17 persistently failed to participate in the action); *Galtieri-Carlson v. Victoria M. Morton*
18 *Enters.*, 08-CV-1777-FCD, 2010 WL 3386473, at *3 (E.D. Cal. 2010). Likewise,
19 when a corporation fails to retain counsel to represent it in an action, its answer may
20 also be stricken. *Employee Painters' Trust v. Ethan Enters., Inc.*, 480 F.3d 993 (9th
21 Cir. 2007). Various courts have applied these rules to strike the answers of corporate
22 defendants who have failed to defend themselves, direct entry of default, and permit
23 the plaintiff to move for default judgment. *See, e.g., Osgood v. Main Street Mktg.,*
24 *LLC*, No. 16-CV-2415-GPC, 2017 WL 3194460, at *2 (S.D. Cal. July 27, 2017)
25 (citing *Employee Painters' Trust v. Ethan Enters., Inc.*, 480 F.3d 993 (9th Cir. 2007));
26 *Microsoft Corp. v. Marturano*, No. 06-CV-1747, 2009 WL 1530040, at *2, 6 (E.D.
27 Cal. May 27, 2009); *see also Rojas v. Hawgs Seafood Bar, Inc.*, No. C-08-03819-JF,
28 2009 WL 1255538, at *1 (N.D. Cal. May 5, 2009) ("When a corporation fails to retain

1 counsel to represent it in an action, its answer may be stricken and a default judgment
2 entered against it.”); *Oracle America, Inc. v. Serv. Key, LLC*, No. C-12-790-SBA,
3 2013 WL 1195620, at *2-3 (N.D. Cal. Mar. 22, 2013) (ordering that if substitute
4 counsel is not found, the court will strike answer and direct entry of default, and then
5 plaintiff may file a motion for default judgment).

6 Here, Defendant Global has failed to retain counsel as directed by the Court.
7 Global has had ample time to do so as the applicable period for securing counsel per
8 the Court’s July 12, 2019 Order expired on or around August 12, 2019. (ECF No. 79.)
9 Furthermore, both the Bureau and the Magistrate Judge have warned Defendants that
10 a failure to obtain counsel may result in default. (ECF Nos. 81, 82, 83.) Global has
11 continuously failed to defend this action and it does not appear that the corporation
12 will be doing so at this time.

13 Consequently, because Defendant Global has failed to obtain counsel and
14 defend itself in this action, the Court grants the Bureau’s motion.

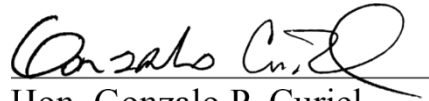
15 **III. Conclusion**

16 For the foregoing reasons, the Court **GRANTS** the Bureau’s motion. (ECF No.
17 83.) The Court thus **ORDERS** and **DIRECTS** the following:

- 18 1. That Defendant Global Financial Support, Inc’s Answer, (ECF Nos. 6, 9), be
19 stricken from the record;
- 20 2. That the Clerk of Court enter default against Global; and
- 21 3. That the hearing set for February 7, 2020 be vacated.

22 **IT IS SO ORDERED.**

23 Dated: January 30, 2020

24 
25 Hon. Gonzalo P. Curiel
26 United States District Judge
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